

TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission, under the authority vested in it by Section 83112 of the Government Code, proposes to adopt, amend, or repeal regulations in Title 2, Division 6 of the California Code of Regulations. The Fair Political Practices Commission will consider the proposed regulation at a public hearing on or after **March 19, 2009**, at the offices of the Fair Political Practices Commission, 428 J Street, Suite 800, Sacramento, California, commencing at approximately **10:00 a.m.** Written comments must be received at the Commission offices no later than **5:00 p.m.** on **March 17, 2009**.

BACKGROUND/OVERVIEW:

The Commission must adjust the gift limit, contribution limits, voluntary expenditure ceilings, officeholder account and aggregate officeholder account limits to reflect changes in the Consumer Price Index by January 1 of each odd numbered year as required respectively under Sections 89303(f), 83124 and 85316. Currently, the Commission uses the September forecast of U.S. Bureau of Labor Statistics California Consumer Price Index for All Urban Consumers for the calendar year immediately preceding the year in which the adjustment is to take effect to adjust all of these figures. The September forecast is used because it is available before January 1 of every odd numbered year. The final Consumer Price Index for each year is not available until January or February of the proceeding year. Therefore, it is not possible to use the final Consumer Price Index for the preceding even numbered year to adjust the limits by January 1 of each odd numbered year as required. In order to have the limits adjusted by January 1 of every odd numbered year, Regulation 18544(c) directs the Commission to use the September forecast of the California Consumer Price Index to adjust the Contribution limits. Regulation 18940.2 also states that the California Consumer Price Index be used to adjust the gift limit. However, this regulation does not specifically state that the *September* forecast of the California Consumer Price Index be used to adjust the limit. In reality, the Commission uses the September forecast of the California Consumer Price Index to adjust all of these limits in order for them to be adjusted by the January 1 deadline. The language for the two regulations relating to this adjustment currently reads as follows:

Regulation 18544(c) Contribution Limit Adjustment

“The adjustments shall be based upon the September forecast of U.S. Bureau of Labor Statistics California Consumer Price Index for All Urban Consumers for the calendar year immediately preceding the year in which the adjustment is to take effect.”

Regulation 18940.2(c) Gift Limit

“The gift limitation adjustment shall be based on the California Consumer Price Index for All Urban Consumers based on Consumer Price Index data obtained from the United States Bureau of Labor Statistics for the calendar year immediately preceding the year in which the adjustment is to take effect.”

This proposed amendment seeks to replace the current language in Regulation 18940.2(c) with the same language used in Regulation 18544(c) in order to provide greater clarity to the public as to how the adjustment figures are calculated.

REGULATORY ACTION:

Amend 2 Cal. Code Regs. Section 18940.2(c) to read:

The Commission may consider whether to adopt an amendment to Regulation 18940.2(c). Following is the proposed amendment language:

“The adjustments shall be based upon the September forecast of U.S. Bureau of Labor Statistics California Consumer Price Index for All Urban Consumers for the calendar year immediately preceding the year in which the adjustment is to take effect.”

SCOPE:

The Commission may adopt the language noticed herein, or it may choose new language to implement its decisions concerning the issues identified above or related issues.

FISCAL IMPACT STATEMENT:

Fiscal Impact on Local Government. This regulation will have no fiscal impact on any local entity or program.

Fiscal Impact on State Government. This regulation will have no fiscal impact on any state entity or program.

Fiscal Impact on Federal Funding of State Programs. This regulation will have no fiscal impact on the federal funding of any state program or entity.

AUTHORITY: Government Code Section 83112 provides that the Fair Political Practices Commission may adopt, amend, and rescind rules and regulations to carry out the purposes and provisions of the Political Reform Act.

REFERENCE: The purpose of these regulations is to implement, interpret, and make specific Government Code Sections 89503 and 87103.

CONTACT: Any inquiries should be made to Sukhi K. Brar, Counsel, Legal Division, Fair Political Practices Commission, 428 J Street, Suite 800, Sacramento, CA 95814; telephone (916) 322-5660 or 1-866-ASK-FPPC. Proposed regulatory language can be accessed at <http://www.fppc.ca.gov/index.html?id=351>.